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L.A. Times Bids for Newsday

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The Times-Mirror Co. of Los Angeles—a robust and expansionist communications conglomerate—is casting its eyes eastward and has offered between \$65 million and \$70 million for Long Island's Newsday, the biggest suburban newspaper in America.

Both companies put out uninformative statements yesterday that confirmed nothing more than the fact that "informal discussions" about a merger have taken place between Capt. Harry F. Guggenheim, Newsday's president and majority stockholder, and Norman Chandler, chairman of the executive committee of the Times-Mirror Co., which counts The Los Angeles Times among its properties.

Other sources close to the situation said the Times-Mirror offer to buy has been put in writing in the form of a letter of intent. They also disclosed that the Newsday owners are engaged in a family dispute over whether the offer should be accepted.

When Newsday was founded 30 years ago, Guggenheim retained 51 per cent of the stock and his wife, the late Alicia

Patterson, had the other 49 per cent. Upon her death, her shares were divided equally among four nephews and nieces—Joseph, Dina, and Adam Albright and Alice Albright Hoge, whose husband is editor of The Chicago Sun-Times.

Guggenheim, who is 79 and who recently has liquidated other interests including his stable of race horses, is reported anxious to make the deal. But his wife's heirs are balking, according to people familiar with the facts. They reportedly feel strongly that the paper should remain a family enterprise and that its employees should be protected against the uncertainties involved in a sale or merger.

Some employees evidently felt the same way. Late yesterday a petition was circulated in the newsroom urging the family to retain the newspaper. As of last night, 90 of the 300 editorial employees had signed it.

A family meeting on the subject is expected to be held within the next day or so.

None of these reports or speculations could be confirmed with the parties involved. As often happens

when newspapers get into the news, executives of both organizations made themselves unavailable yesterday.

Guggenheim was said to be in Miami and his publisher, Bill D. Moyers, referred callers to the promotion department. In Los Angeles, Times-Mirror executives directed inquiries to the corporation's public relations office. News executives on both staffs professed ignorance of what was going on.

The super-caution of the principals was reflected in their handling of the story. The Los Angeles Times ran a small item about "informal discussions" yesterday but only after The New York Times had carried a much fuller story in its late editions. Today, Newsday picked up The Los Angeles Times story and added no further details.

If the deal goes through, the Times-Mirror Co. will have a highly profitable East Coast daily to go with the Times in Los Angeles and, in all likelihood, the Dallas Times-Herald. The Texas paper and associated broadcasting properties was tentatively acquired by the Times-Mirror Co. for \$91 million last fall. That sale will not become final, however, until the Federal Communications Commission approves the transfer of the broadcasting property.

The Times-Mirror Co. has other large holdings including book publishing firms (World and New American Library), magazines (Outdoor Life and Popular Science), a commercial printing operation, a forest products division that produces pulp, plywood, and other types of commercial timber products. It had gross

sales of \$396 million last year and after-tax profits of \$32.4 million.

The Newsday company has no subsidiary interests and publishes no financial data because it is family-owned. But newspaper executives in New York estimate its annual profits at about \$2.5 million, an estimate based on the theory that a newspaper sells for about 30 times its annual earnings.

There was some speculation in New York yesterday that the Times-Mirror Co. would like to use Newsday as a wedge to get into the New York City newspaper market. But that speculation was discounted by industry sources. It would be virtually impossible, they said, for Newsday to compete in the New York market unless it were published in Manhattan, rather than Long Island. Its present circulation of about 460,000 is confined exclusively to Nassau and Suffolk Counties. It is the seventh largest evening newspaper in the United States.